

## 6 Nuggets from BlackRock's 2022 Stewardship Report

Last month, BlackRock published its [2022 Investment Stewardship report](#) weighing in at 72 pages and covering engagements and voting from July 1, 2021 through June 30, 2022.

The report highlights BlackRock's long-term investment focus and multi-year engagements with companies, as well as the growth of BlackRock Voting Choice, highlighted in [Erin Gordon's recent blog post](#). Here are six nuggets from the report:

1. **Number of Engagements.** Over 3,690 engagements with 2,460 unique companies worldwide, both up slightly from last year.

2. **Priority Areas for Engagement:**

- Board quality and effectiveness: 2,330 engagements
- Strategy, purpose, and financial resilience: 2,120 engagements
- Incentives aligned with value creation: 1,350 engagements
- Climate and natural capital: 2,060 engagements
- Company impacts on people: 1,280 engagements

3. **Increased Support for Directors.** In the Americas, increased support for directors generally. Did not support the election of 4% of directors (down from 6% last year) for lack of board diversity.

4. **Reasons for Votes Against Directors/Management.** Leading reasons for not supporting director elections and management proposals more broadly:

- Lack of board independence
- Lack of board diversity
- Overboarding concerns
- Executive compensation misalignment with company strategy or long-term performance

5. **Improvements in Climate-Related Disclosures.** The report notes that companies in many sectors have made progress in climate-related disclosures, including disclosures in line with TCFD recommendations. It also observes that such disclosure "was most helpful when it included scope 1 and 2 greenhouse gas (GHG) emissions metrics and meaningful short-, medium-, and long-term emissions reduction targets."

Although there was significant progress, BlackRock signaled concerns about climate action or disclosure at 234 companies (321 last year).

**6. More Prescriptive Shareholder Proposals.** The report observes a significant increase in E&S shareholder proposals (133% increase in the U.S.) and "many more proposals were unduly constraining on management or were overly prescriptive as to information sought or timeframes."

BlackRock supported 22% of the E&S shareholder proposals voted on; in absolute terms, this reflects support for 71 E&S proposals (81 last year). Prescriptive proposal themes that reduced its support of E&S proposals included that "proposals sought decommissioning fossil fuel assets, elimination of financing and insurance underwriting for fossil fuel projects, and cessation of fossil fuel exploration and development."

## Explore more in

[Corporate Law](#)

Blog series

## Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

[Subscribe ?](#)

[Visit Public Chatter Resources for Guides, Quick Alerts and Programs](#)

[View the blog](#)